

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the period ended 30 September 2023**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Revenue		66,818	63,737	131,575	126,379
Cost of sales		(54,869)	(58,506)	(112,865)	(114,873)
Gross profit		11,949	5,231	18,710	11,506
Other income		1,351	5,097	4,031	8,838
Administrative expenses		(1,864)	(1,192)	(3,907)	(3,558)
Distribution expenses		(1,052)	(1,068)	(2,133)	(2,138)
Finance costs		(1,017)	(978)	(1,983)	(1,788)
Other expenses		(23)	(2,043)	(954)	(3,110)
Profit before tax		9,344	5,047	13,764	9,750
Taxation	B5	(2,128)	(809)	(3,941)	(620)
<b>Profit net of tax attributable to owners of the parent</b>		<b>7,216</b>	<b>4,238</b>	<b>9,823</b>	<b>9,130</b>
Other comprehensive loss, net of tax :					
Net change on FVOCI reserves :					
- changes in fair value		2,147	(609)	1,981	(2,325)
<b>Total comprehensive income attributable to owners of the parent</b>		<b>9,363</b>	<b>3,629</b>	<b>11,804</b>	<b>6,805</b>
<b>Basic earnings per share attributable to owners of the parent (sen) :</b>	B11	5.04	2.96	6.86	6.38

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2023**

	Note	As at 30 Sept 2023 RM'000	As at 31 Mar 2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		72,362	74,552
Investment properties		88,800	88,800
Land held for development		33,746	33,746
Right of use asset		5,323	5,898
Deferred tax assets		502	502
Investment securities		22,471	20,230
Other investments		911	911
		<u>224,115</u>	<u>224,639</u>
<b>Current assets</b>			
Biological assets		8,044	7,901
Inventories		16,537	13,576
Tax recoverables		289	302
Trade receivables		10,761	10,024
Other receivables		5,654	1,888
Prepayments		2,318	2,060
Cash and bank balances		92,318	79,602
		<u>135,921</u>	<u>115,353</u>
<b>TOTAL ASSETS</b>		<u>360,036</u>	<u>339,992</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent</b>			
Share capital		76,696	76,696
Reserves		170,841	159,037
<b>Total equity</b>		<u>247,537</u>	<u>235,733</u>
<b>Non-current liabilities</b>			
Borrowings	B7	22,856	27,225
Lease liabilities		4,462	5,000
Deferred tax liabilities		1,976	1,867
		<u>29,294</u>	<u>34,092</u>
<b>Current liabilities</b>			
Borrowings	B7	49,369	43,710
Trade payables		12,267	9,669
Other payables		17,482	14,006
Lease liabilities		1,070	1,044
Hire purchase payable		11	24
Taxation		3,006	1,714
		<u>83,205</u>	<u>70,167</u>
<b>Total liabilities</b>		112,499	104,259
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>360,036</u>	<u>339,992</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Cash Flows**

	6 months ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,764	9,750
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	2,295	2,212
Gain on disposal of property, plant and equipment	(53)	(38)
Depreciation of right of use assets	575	583
Fair value changes in biological assets	(379)	2,935
Fair value changes in produce inventories	(71)	166
Allowance for expected credit loss	-	49
Dividend income	(292)	(466)
Interest expense	1,983	1,788
Interest income	(559)	(294)
Operating profit before working capital changes	<u>17,263</u>	<u>16,685</u>
Working capital changes in:		
Property development costs	-	(44)
Biological assets	236	(868)
Inventories	(2,890)	(11,384)
Receivables	(4,708)	1,243
Payables	6,056	(292)
Cash generated from operating activities	<u>15,957</u>	<u>5,340</u>
Net taxes paid	(2,527)	(251)
Interest paid	<u>(1,983)</u>	<u>(1,622)</u>
Net cash generated from operating activities	<u>11,447</u>	<u>3,467</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of:		
Property, plant & equipment	(124)	(790)
Investment securities	(326)	-
Proceeds from disposal of:		
Property, plant and equipment	53	85
Investment securities	50	1,931
Interest received	559	294
Dividend received	292	466
Net cash generated from investing activities	<u>504</u>	<u>1,986</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(4,435)	(1,848)
Net drawdown of other bank borrowings	5,725	5,144
Repayment of hire purchase	(13)	(13)
Payment of lease liabilities	(512)	(849)
Net cash generated from financing activities	<u>765</u>	<u>2,434</u>
Net change in cash and cash equivalents	12,716	7,887
Cash and cash equivalents at 1 April	79,602	49,444
Cash and cash equivalents at end of the year	<u>92,318</u>	<u>57,331</u>
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	28,476	22,294
Cash on hand and at bank	63,842	35,037
Cash and bank balances	<u>92,318</u>	<u>57,331</u>
	<u>92,318</u>	<u>57,331</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statements of Changes in Equity**  
**For the period ended 30 September 2023**

	<-----Attributable to equity holders of the parent----->			
	(Non- distributable)		(Distributable)	
	Share capital RM'000	Other Comprehensive Income Reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>6 months ended 30 September 2023</b>				
<b>At 1 April 2023</b>	76,696	(6,091)	165,128	235,733
<b>Total comprehensive profit</b>	-	1,981	9,823	11,804
Profit net of tax	-	-	9,823	9,823
Other comprehensive income, net of tax	-	1,981	-	1,981
<b>At 30 September 2023</b>	<u>76,696</u>	<u>(4,110)</u>	<u>174,951</u>	<u>247,537</u>
<b>6 months ended 30 September 2022</b>				
<b>1 April 2022</b>	76,696	(4,433)	144,185	216,448
<b>Total comprehensive (loss)/income</b>	-	(2,325)	9,130	6,805
Profit net of tax	-	-	9,130	9,130
Other comprehensive loss, net of tax	-	(2,325)	-	(2,325)
<b>At 30 September 2022</b>	<u>76,696</u>	<u>(6,758)</u>	<u>153,315</u>	<u>223,253</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

## **PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16**

### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2023.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs that have become effective for the financial periods beginning 1 April 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Group has not early adopted the following new and Amendments to MFRSs, which have been issued and will be effective for the financial periods as stated below: -

Description	Effective date for financial periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of cash Flows and MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The new and amendments to MFRSs will be adopted by the Group when they become effective and that the initial applications of these Standards are not expected to have material impact on the financial statements of the Group.

### **A2. Audit Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2023 was not qualified.

**A3. Segmental Information**

	3 months ended			6 months ended		
	30-Sep-23 RM'000	30-Sep-22 RM'000	Change %	30-Sep-23 RM'000	30-Sep-22 RM'000	Change %
<b>Segment revenue</b>						
Poultry & related products	64,274	61,718	4%	127,092	122,751	4%
Extraction & sale of sand	2,454	1,929	27%	4,303	3,448	25%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>66,818</b>	<b>63,737</b>	<b>5%</b>	<b>131,575</b>	<b>126,379</b>	<b>4%</b>
<b>Segment results</b>						
Poultry & related products	9,250	4,530	104%	14,026	9,819	43%
Extraction & sale of sand	681	399	71%	1,001	482	108%
Investment holdings	(568)	137	-514%	(1,131)	(501)	-126%
Property development	(19)	(19)	2%	(132)	(50)	-163%
Profit before tax	9,344	5,047	85%	13,764	9,750	41%
Less: Taxation	(2,128)	(809)	163%	(3,941)	(620)	536%
Profit net of tax	7,216	4,238	70%	9,823	9,130	8%

**A4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 30 September 2023.

**A5. Changes in Estimate**

There were no changes in the estimates that have had a material effect in the current quarter results.

**A6. Comments about Seasonal or Cyclical Factors**

The Group's performance is not significantly affected by major festive seasons.

**A7. Dividends Paid**

There was no dividend paid for the quarter under review.

**A8. Carrying Amount of Fixed Assets**

There were no changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

**A9. Debt and Equity Securities**

There were no issuances, repurchases, and repayments of debt and equity securities during the quarter under review.

**A10. Changes in Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**A11. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2023.

**A12. Profit for the Period**

Profit for the period is arrived at after crediting/(charging): -

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Sep-23</b>	<b>30-Sep-22</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Interest income	287	136	559	294
Other income including investment income	312	4,914	2,899	8,376
Interest expense	(1,017)	(978)	(1,983)	(1,788)
Depreciation & amortisation	(1,430)	(1,371)	(2,870)	(2,795)
Fair value changes on biological assets	752	(2,034)	450	(3,101)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				-
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (loss)/gain:-				
Realised gain/(loss)	(22)	47	123	168
Unrealised gain/(loss)	-	-	(954)	-
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**B. BMSB Listing Requirements (Part A of Appendix 9B)****B1. Review of Performance**

	Preceding Year			Current		
	Current	Corresponding	Change	Year To	Preceding Year	
	Quarter	Quarter	%	date	Corresponding	Change
	RM'000	RM'000	%	RM'000	Period	%
					RM'000	
<b>Segment revenue</b>						
Poultry & related products	64,274	61,718	4%	127,092	122,751	4%
Extraction & sale of sand	2,454	1,929	27%	4,303	3,448	25%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>66,818</b>	<b>63,737</b>	<b>5%</b>	<b>131,575</b>	<b>126,379</b>	<b>4%</b>
<b>Segment result</b>						
Poultry & related products	9,250	4,530	104%	14,026	9,819	43%
Extraction & sale of sand	681	399	71%	1,001	482	108%
Investment holdings	(568)	137	-514%	(1,131)	(501)	-126%
Property development	(19)	(19)	2%	(132)	(50)	-163%
Profit before tax	9,344	5,047	85%	13,764	9,750	41%
Less: Taxation	(2,128)	(809)	-163%	(3,941)	(620)	-536%
Profit net of tax	7,216	4,238	70%	9,823	9,130	8%

The Group registered a revenue of RM66.82 million and a profit net of tax of RM7.22 million for the current quarter as compared to a revenue of RM63.74 million and a profit net of tax of RM4.24 million in the same quarter of previous financial year. Revenue for the Group increased by 5% due to higher average selling price of eggs despite lower volume sold. The poultry segment's result increased by 104% in tandem with higher revenue and lower cost of major raw materials particularly corn.

For the financial year-to-date, the Group recorded a revenue of RM131.58 million and a profit net of tax of RM9.82 million as compared to revenue of RM126.38 million and profit net of tax of RM9.13 million in the corresponding period of previous financial year. Poultry segment recorded 4% increase in revenue due to higher average selling price of eggs despite lower volume sold. The poultry segment recorded 43% increase in profit contributed mainly by higher average selling price of eggs and lower cost of corn which is its major raw material. However, higher tax expense resulted in marginal increase in the Group's profit net of tax. Tax expense was lower in the previous financial year due to utilization of balance tax business losses.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in volume of sand sold.

There are no other material earnings contribution from the other segments.



**B2. Variation of result Against Preceding Quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	64,274	62,819	2%
Extraction & sale of sand	2,454	1,848	33%
Investment holdings	90	90	0%
Total	<u>66,818</u>	<u>64,757</u>	<u>3%</u>
<b>Segment result</b>			
Poultry & related products	9,250	4,776	94%
Extraction & sale of sand	681	320	113%
Investment holdings	(568)	(563)	1%
Property development	(19)	(113)	84%
Profit before tax	<u>9,344</u>	<u>4,420</u>	<u>111%</u>

The Group posted profit before tax of RM9.34 million for the current quarter as compared to profit before tax RM4.42 million in the preceding quarter. The Group recorded higher profit before tax in the current quarter as compared to previous quarter in tandem with higher revenue and lower cost of major raw materials particularly corn.

**B3. Commentary on Prospects**

The Board foresees the next period to continue to be profitable based on currently stable prices of major raw materials particularly corn and soybean and earnings from export market. Nonetheless management shall continue to focus on efficiencies at the farm to minimise any volatilities and disruption to the business operations.

No material contributions are expected from the other segments in the next period.

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

**B5. Tax Expenses**

	6 months ended	6 months ended
	30.9.23	30.9.22
	RM'000	RM'000
Income tax expense	3,833	1,108
Deferred tax expense/(reversal)	108	(488)
Total	<u>3,941</u>	<u>620</u>

The effective tax rate is higher than the statutory rate of 24% due mainly to the effects of unallowable expenses where else the comparative period had utilized some business losses brought forward.

**B6. Corporate Proposals**

## (a) Status of Corporate Proposals

The corporate proposals which were previously announced on 8 April 2022 (and its subsequent announcements) had been terminated. On 5 October 2023, LTKM and the Vendors had entered into a termination letter agreement to mutually terminate the Proposed Acquisition in accordance with the terms of the Acquisition SSA which also culminated to the termination of the entire Proposals. The reasons of the termination were due to both parties, LTKM and Local Assembly having experienced contrasting financial performance as opposed to their respective financial performance at the inception of the Proposals.

Other than professional fees incurred for the Proposals, the termination of the Proposals did not have material financial impact to LTKM.

## b) Status of Utilisation of Proceeds

Not applicable as there was no corporate proposal to raise funds.

**B7. Borrowings**

## a) The analysis of Group borrowings classified under short term and long-term categories are as follows:

	<b>As at 30.9.2023</b>	<b>As at 30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term</b>		
<i>Secured:-</i>		
Revolving credit	13,000	9,000
Banker acceptance	3,632	4,043
Bank term loans	9,687	9,124
	<u>26,319</u>	<u>22,167</u>
<i>Unsecured:-</i>		
Revolving credit	10,500	14,500
Banker acceptance	12,551	13,763
	<u>23,051</u>	<u>28,263</u>
	<u>49,369</u>	<u>50,430</u>
<b>Long term</b>		
<i>Secured:-</i>		
Bank term loans	22,856	29,705
	<u>22,856</u>	<u>29,705</u>
<b>Total borrowings</b>	<u>72,225</u>	<u>80,135</u>

## b) There were no borrowings in foreign currency as at 30 September 2023.

## c) Effective average cost of borrowings based on exposure as at 30 September 2023 was 5.24% (30 September 2022: 4.67%).

**B8. Off Balance Sheet Financial Instrument**

There were no off-balance sheet financial instruments as at 30 September 2023.

**B9. Changes in Material Litigations**

There were no changes in material litigations involving the Group for the current quarter under review.

**B10. Dividend Payable**

No dividend has been declared in the financial period ended 30 September 2023.

**B11. Earnings per share (“EPS”)**

	3 months ended		6 months ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to ordinary shareholders of the parent</b>	7,216	4,238	9,823	9,130
<b>Number of shares in issue ('000)</b>	143,114	143,114	143,114	143,114
<b>Basic EPS (sen per share)</b>	5.04	2.96	6.86	6.38

Diluted earnings per share are not applicable for the respective periods as there is no dilution effect on the number of shares.

**B12. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 28 November 2023.

**B13. Dividends Paid / Declared**

Dividend paid / declared since the financial year 2020 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020